

RATE SCHEDULE "SUP"

GAS SUPPLIER REQUIREMENTS

AVAILABILITY

The requirements under this Schedule apply to Qualified Suppliers that contract with a Customer to deliver the Customer's Daily Contract Quantity (DCQ) to the Point(s) of Receipt under the General Terms and Conditions of the Transportation and Balancing Rider. To become a Qualified Supplier, a supplier must submit a completed application on the Company's standard form to provide service to Customers under this Schedule and must satisfy the Company's credit requirements set forth below.

RESPONSIBILITY FOR GAS DELIVERY

The Qualified Supplier shall provide the necessary Gas supply to facilitate Nomination and delivery of the Customer's DCQ in accordance with the General Terms and Conditions of the Transportation and Balancing Rider. If the Qualified Supplier has more than one Customer, and has become a Replacement Shipper on behalf of the Customer(s), a Nomination which is the sum for more than one Customer will be made on interstate pipelines upstream of the Company's distribution system but the Quantity of Gas for each Customer must be identified on the Nomination to the Company. Failure to deliver the required Quantity of Gas will make the Qualified Supplier subject to penalties as stated in the General Terms and Conditions of the Transportation and Balancing Rider. If the Qualified Supplier fails to pay any penalties, the Customer for whom the Qualified Supplier is delivering Gas shall be responsible for payment of such penalties.

CREDITWORTHINESS

To become a Qualified Supplier, the supplier must demonstrate to the Company's satisfaction that it has met and continues to meet the creditworthiness criteria of at least one non-affiliated interstate pipeline that delivers Natural Gas to the Company's city gate or to an interstate pipeline that is connected to Eastern Shore Natural Gas. Upon notification by the Company that the supplier no longer satisfies the credit criteria or has failed to timely pay any bill rendered under this Schedule, the supplier is disqualified until such time as satisfactory evidence is provided by the supplier that the supplier's overall financial condition again meets the Company's credit criteria or an acceptable credit enhancement, including but not limited to a cash deposit, letters of credit or surety bonds, is furnished to the Company.

Issue Date: July 21, 2015

Effective Date: For Bills Rendered on and after September 1, 2015

Authorization: Order 8752 in PSC Docket No. 13-383 dated July 21, 2015

TAXES

Any applicable taxes including, but not limited to, the Public Utilities Tax will be added to all charges.

PAYMENT TERMS

Bills are due within ten (10) calendar days of their date.

LIABILITY LIMITS

The Company shall not be liable for any loss, cost, damage or expense occasioned by the calculation of the DCQ. The Qualified Supplier shall warrant that, at the time of delivery of Gas to the Point(s) of Receipt, it will have good title to deliver all Gas Quantities. The Company shall have no liability with respect to any Gas prior to its delivery to the Point(s) of Receipt or after its delivery to the Point(s) of Delivery.

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